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# *EMPLOYEE BULLETIN*

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## RETIREMENT

1. I know that all of you are vitally interested in the possibility of change in the Agency's retirement systems. Recent press reports suggest some changes which could have an adverse impact on our personnel system. I want to assure you that we are aware of our obligation to inform appropriate authorities both in the Administration and the Congress of the vital importance we attach to our retirement systems. Any retirement modifications will be subjected to detailed review as the large variety of proposals are introduced into the legislative process.

2. The Agency task force on retirement will continue to monitor and analyze all retirement proposals as they may affect our retirement systems and will provide me with the information I need to ensure that all concerned parties are aware of our unique needs.

William J. Casey  
Director of Central Intelligence

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WASHINGTON POST  
24 January 1985

## THE FEDERAL DIARY

## Retirement Plan Revised

By Mike Causey  
Washington Post Staff Writer

**C**areer American diplomats and Central Intelligence Agency aides who can now retire as early as age 50 might have to work an extra 10 years to get full pensions under a proposal President Reagan will make shortly as part of his new budget package.

Foreign Service staffers at State, USIA and the Agency for International Development as well as many CIA personnel are now covered by early retirement rules. The rules are similar to those for federal firefighters, law enforcement personnel and air traffic controllers—whose jobs are either dangerous or have a high rate of burnout.

Last week I reported that the administration had decided to exempt employees in those special early retirement programs from any legislative attempt to raise the retirement age for most other civil servants—from scientists to letter carriers.

But administration officials now say that CIA and Foreign Service personnel *will* be included, along with rank-and-file federal and postal workers, in proposals to raise the retirement age.

The plan, subject to congressional approval, would reduce pension benefits for most federal workers retiring before age 65, and would require Foreign Service and CIA personnel to work until age 60 to get full benefits.

Most government employees can now retire at age 55 after 30 years' service on pensions equal to 53 percent of their

final salaries. Full benefits, calculated on salary and service time, are also available to employees who are 60 with 20 years' service, or 62 with five years' service. The maximum pension—80 percent of salary—goes only to those with more than 41 years' service.

Reagan's plan would require rank-and-file feds to work until age 65 to get full benefits. Those who retired early would

take a 2 percent reduction in their annuities for each year they were under 65.

Employees who are 55 or older at time of enactment would continue under the present retirement system. Workers 45 and younger would feel the full impact of the change.

The Reagan plan would not change benefits for most employees under early retirement systems. They can retire at 50 with 20 years service on annuities equal to about 40 percent of salary. That early retirement feature would continue for firefighters, controllers and law enforcement personnel.

But Foreign Service officers, and CIA employees would, if the changes are made, have to work until age 60 to get full benefits. They could still retire earlier than most civil servants, but would have to work 10 years longer than they do under the present system.

The early retirement system was designed by Congress for feds in jobs that are dangerous, sometimes require difficult overseas assignments or produce unusual stress. The early-out system also opens up jobs and promotions for younger workers.

Just why the administration

wants to have CIA and foreign staffers work longer is anybody's guess. Foreign Service workers, in particular, are subject to "selection out"—firing—if they fail to get regular promotions.

Given the sometimes dangerous nature of Foreign Service work (consider Iran, Lebanon and hot spots in Central America), and the quiet clout of the CIA on Capitol Hill, there is a good chance Congress will reject a higher retirement age for those employees even if it approves it for other workers.